

PARKDALE
COMMUNITY
LEGAL SERVICES

2020 - 2021

ANNUAL REPORT



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MESSAGE FROM THE BOARD CO-CHAIRS

Janet Mosher & Bryan Daley

Co-Chairs, Board of Directors

In March of 2020, at the beginning of the first lockdown, none of us could have imagined the full impact and longevity of the pandemic. But like so many challenges in PCLS' 50-year history, staff, students, and board have all shown incredible resilience, commitment, and care.

Clinic staff have done outstanding work in delivering a range of services remotely and have had many notable successes, including in preventing evictions during COVID (while eviction applications were up elsewhere in the province, they were down in Parkdale) and in advancing the rights of migrant workers to speak out about the health and safety risks in their workplaces. They have also done a fabulous job ensuring that students receive an excellent education in community-based, poverty law lawyering. Thank you!

Thanks are also owing to all the students in the Intensive Program in Poverty Law, and to Adrian Smith, the Academic Director of the Program from July 1, 2018, to June 30, 2021. Working closely with staff, Adrian provided excellent leadership in navigating the uncharted waters of delivering the academic program remotely.

We feel incredibly honoured to be part of a Board of Directors comprised of folks who care deeply about the Parkdale community and about PCLS. Board members have put in countless volunteer hours this past year and the various perspectives and insights they bring to the table are crucial to good decision-making. Thank you!

The 2020-21 has also been a year of many transitions. Everyone is excited

and energized by the slow and cautious steps underway to gradually return to in-person, in-community engagement. The move into 366 Dufferin Street earlier this year and the anticipated move later this fall into our space at the Parkdale Queen West Community Health Centre are critical steps in ensuring that PCLS remains deeply embedded in the Parkdale community.

Another significant transition was the passage of new legal aid legislation that will come into effect later this fall, and along with it, a new framework for the funding of PCLS and other community legal clinics. There are many reasons to be concerned about these developments and their potential impact on PCLS. PCLS staff, students, and board provided critical analysis and advocacy throughout and will continue to fight to ensure that the Clinic's work in assisting individuals to address the injustices in their lives and in organizing to change unjust systems and structures will be sustained.

PCLS has also undergone a transition in leadership this past year. The Clinic was very sorry to say goodbye to Clinic Director Johanna MacDonald who provided able leadership over the past 4 ½ years. Staff lawyer John No graciously agreed to step into the Interim Clinic Director role and is owed an enormous thanks. His commitment to the Clinic, to the students, and to the Parkdale community is boundless and his wisdom, generosity, and good humour have been inspiring and sustaining. Thanks are owing as well to Tenzin Tekan and Wendy Atkinson, both of whom have assumed additional responsibilities over the past several months. In their customary fashion, they have worked tirelessly to ensure the continuity of the Clinic's work in the community.

As many of you will know, September 1, 2021, marked 50 years since PCLS first opened its doors. We look forward to sharing with you soon the celebratory plans and to working together to ensure the continued vibrancy of PCLS over the next 50 years!

MESSAGE FROM THE INTERIM CLINIC DIRECTOR

John No

Interim Clinic Director

“The name of the office is to be “Parkdale Community Legal Services.” The sign in the window will be in accordance with the requirements of The Professional Conduct Handbook. The hours of operation of the office, once they have been determined, will be indicated on the sign. There will also be a reference in the window to the Osgoode Hall Law School of York University.’

- August 31, 1971 letter from Osgoode Hall Law School Dean G. Le Dain to Law Society of Upper Canada Treasurer Thomas Callon

It would be amiss to not reflect on Parkdale Community Legal Services’ history as we enter our 50th year. PCLS began when what was then the Canadian Department of Health and Welfare provided experimental funding for four community legal aid clinics in four provinces in the early 1970s: Dalhousie Legal Aid Service (Halifax, Nova Scotia); Community Legal Services (Point St. Charles, Montreal, Quebec); Parkdale Community Legal Services (Toronto, Ontario); and Saskatoon Community Legal Services (Saskatoon, Saskatchewan). PCLS opened its doors to the Parkdale community in the fall of 1971, thus becoming the first community legal clinic in Ontario.

As you read our Annual Report, please reflect on what has changed in our community and what has stayed the same. In our first report to the Canadian Department of Health and Welfare – dated February 1972 – our then Clinic Director Professor Frederick Zemans wrote that Parkdale has “remained a predominantly English speaking community being the major receiving area for Maritimers arriving in Toronto. There is a scattering of

middle European groups including immigrants from Germany, Ukraine, Czechoslovakia, and Poland... The Atlantic Centre, situated also on Queen Street West, offering social assistance to the Maritimers, estimates that about 15% of the Parkdale population is made up East coast migrants.”

While the demographics of our community may have changed, the report from 49 years ago also described the same issues our community still faces today, e.g., substandard housing, poverty, and lack of decent employment. And like now, we faced opposition to our work from the very beginning, especially to our systemic work.

We are under the impression that the whole system of articling is designed to give student-at-law some practical experience before being admitted to the bar. But this experience should be in law, not attempts to bring about what people call ‘social reform’ which appears to be the motivation of this group.

*- February 16, 1972 letter from
Gordon Thatcher, President of South Parkdale Residents Association
& Terry Hryhor, President of Ward 2 Property-Owners Association*

As you can see from our Annual Report, however, we continue to proudly fight for “social reform” and systemic changes. You also have our assurance that we will continue to engage and actively participate in our community to facilitate and create social and economic conditions that will eradicate poverty and other forms of oppression.

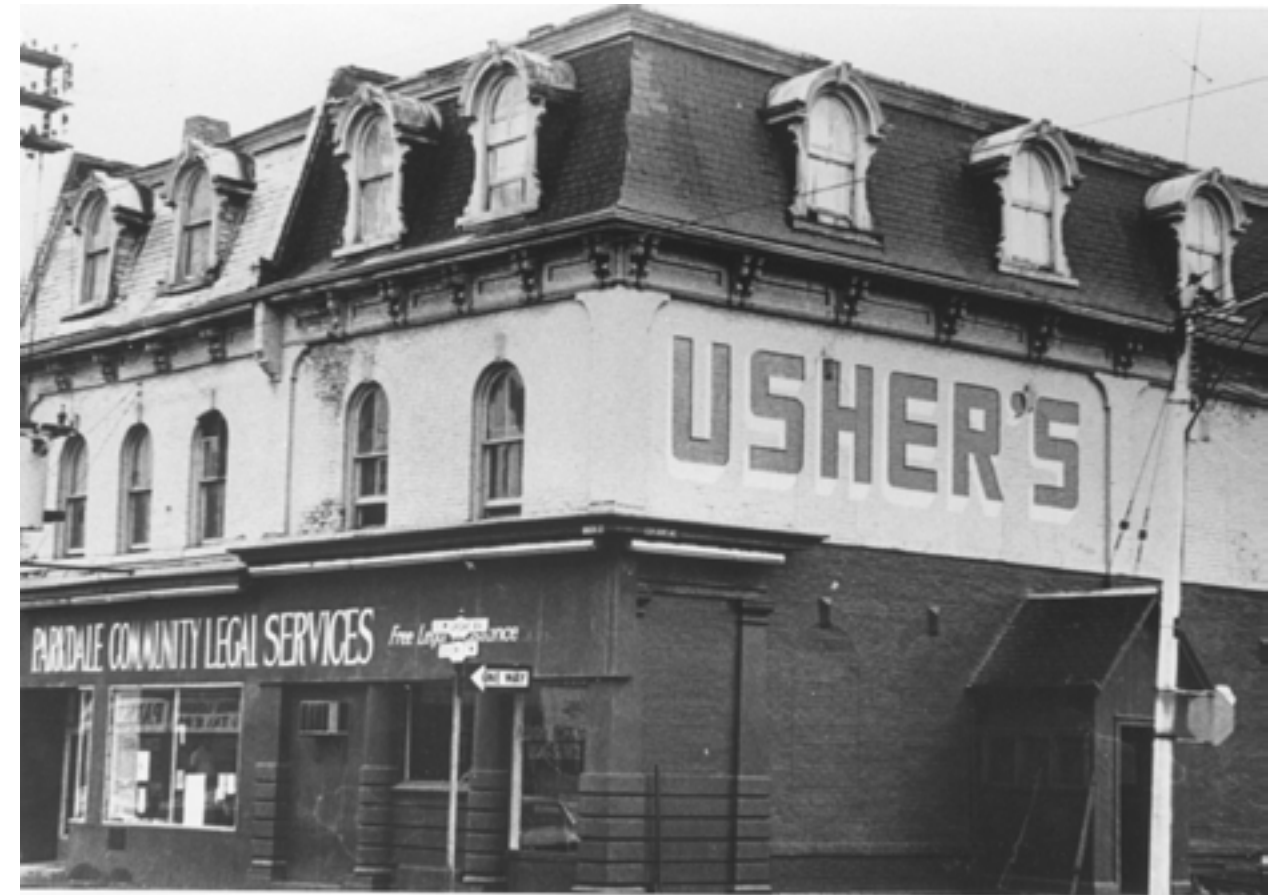
Looking into the future, we are also excited to inform you that we will be opening our new public facing office sometime this year. As you are aware, we were evicted from our previous office location in 2019 and half of our staff have been working from an office in the financial district since that time. This fall, PCLS will finally be fully back in our community.

Sometimes, clients and most people are exasperated with automated machines because they want to speak to a real person and are starved for personal service. We live in an automated world of buttons and numbers and it can be very lonely. When someone does get me on the other end of the line, they are so pleasantly surprised. I have had people ask me, “are you a machine?” I usually say, “No, I am not a machine. I am a real person.” Their response is usually “Thank God.”

- Dorothy Leatch, PCLS’ receptionist from 1975-2008, reflecting on her career in 1997 when PCLS celebrated its 25th anniversary

We look forward to seeing you in our new space. As a real person!

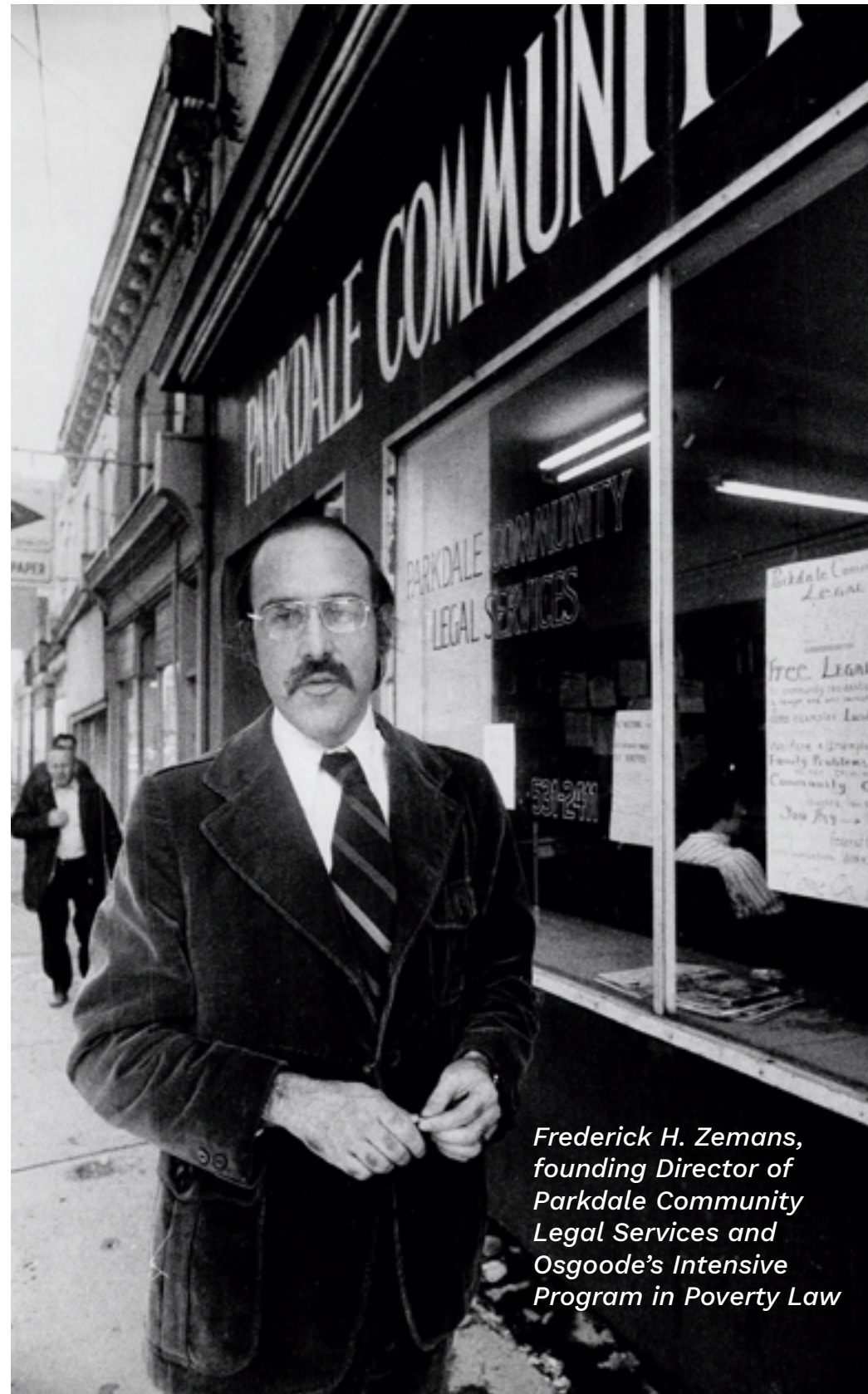
Finally, on a more personal note, I would like to thank those who have provided me with support during the past seven months as I played a caretaker interim Clinic Director role. Special thanks go out to our Board Co-Chairs Janet Mosher and Bryan Daley for their guidance, our Program and Operations Director Tenzin Tekan and Finance Officer Wendy Atkinson for so capably and generously taking on extra responsibilities, past Clinic Director Johanna Macdonald for her wisdom, and my PCLS colleagues for their kind support.



Description: A student-staffed community legal services clinic is established at Parkdale Community Legal Services. Professor Fred Zemans serves as its first director, and Professor Mary Jane Mossman is its first articling student. Members of the Law Society’s Legal Aid Committee read that Osgoode Hall Law School is operating a storefront law office which would offer free legal advice and debates seeking a legal injunction against the school. They consider withdrawing the name “Osgoode Hall” from the Law School.

Rights

[Courtesy of the Osgoode Hall Law School Archives](#)



*Frederick H. Zemans,
founding Director of
Parkdale Community
Legal Services and
Osgoode's Intensive
Program in Poverty Law*

YEAR IN REVIEW 2020 – 2021

PCLS' work is organized around four divisions: the Housing Rights division, the SAVAH (Social Assistance, Violence and Health) division, the Immigration and Migrant Rights division, and the Workers' Rights division. We share highlights from the past year about each division below.

Housing Rights

In the past year we have provided advice to and represented hundreds of tenants in negotiating settlements with their landlords, fighting evictions and enforcing their rights privately and at the Landlord and Tenant Board (LTB). Under the dubious excuse of the COVID-19 pandemic, Ontario's Tribunals, including the LTB, converted from in-person to digital online hearings. This change has increased barriers on low-income and disconnected tenants from independently attending and participating in their legal proceedings.

PCLS was recently retained to represent a newly formed tenant union and its members facing eviction for arrears. Many of the tenants are in arrears resulting from lost employment due to COVID-19. PCLS has successfully adjourned all of the tenants' LTB hearings and has successfully brought the landlord into negotiations with the union.

PCLS housing caseworkers are furthering their expertise and the clinic's capacity to advance and argue human rights law in the context of residential tenancies. Raising human rights defences at the LTB is a relatively uncommon but extremely important legal right to tenants facing eviction for reasons related to their disabilities. Housing caseworkers have excellently employed these legal concepts in their oral and written pleadings resulting in an expansion in the security of tenure for Parkdale's most vulnerable low-income and working class citizens.

PCLS also continues to support Parkdale tenants who have been organizing against evictions and displacement. Under COVID-19, across Ontario and in neighbourhoods across the GTA, the eviction rate has spiked. November and December 2020 saw a 20 per cent increase in Landlord and Tenant Board eviction hearings from the same period in 2019. Not so in Parkdale. The organizing of Parkdale tenants has disciplined the neighbourhood’s largest landlords who, for the most part, have not issued eviction notices against the one in eight Parkdale tenant households who fell behind on rent payments during the pandemic. As a result, in 2020, the neighbourhood experienced a 58 per cent decline in the rate of eviction applications filed at the LTB compared to years’ past.

PCLS supports an organized group of tenants at one Parkdale low-rise building against eviction and poor conditions. Since the building was purchased by an investment company conditions have deteriorated and tenants have faced attempts by the landlord to push them out of their homes. Tenants have formed a building committee and are prepared to challenge their landlord’s attempt to evict them at the Landlord and Tenant Board.

As rents in Toronto continue to rise landlords in Parkdale are targeting long-time tenants with eviction. PCLS supports tenants at one Parkdale high-rise building where the landlord has targeted long-time tenants living with disabilities with eviction. The tenant committee at the building has been fighting to keep their neighbours in their homes with the support of PCLS.

PCLS supports the work of RenovictionsTO to document ‘renovictions’ in Toronto and support tenants to organize against eviction.



Migrant Workers Alliance and Migrant Rights Network

Immigration and Migrant Rights

Immigration policy is going through substantial changes. Recent trends demonstrate that the government has shifted priorities from one-step immigration programs to two-step immigration programs. The move to temporary or two-step migration models puts many people at risk of precarious status. PCLS has worked with the Migrant Workers Alliance for Change (MWAC) since 2012 and works with the cross-country Migrant Rights Network formed in 2018.

Since the COVID-19 pandemic started, the Migrant Rights Network has been mapping the risks and impacts on migrant workers and to push for access to CERB, healthcare, vaccines, housing for migrant workers and to push for better health and safety protections for migrant workers who are doing much of the ‘essential’ work under COVID.

As the essential and front line work of migrant and documented workers became exposed, we joined with others in pushing forward the [Status for All! Campaign](#).





WORKERS WIN!!

WE NEED FULL & PERMANENT STATUS FOR ALL!

Intimidated and fired for asserting his rights and speaking to the media, migrant farmworker Gabriel Flores refused to back down. PCLS supported Gabriel to take his multi-millionaire employer, Scotlynn Farms, to the labour board and won \$24,000.

Intimidated and fired for asserting his rights and speaking to the media, migrant farmworker Gabriel Flores refused to back down. With the help of other migrant workers, he took his multi-millionaire bosses at Scotlynn Farms to the labour board and won \$24,000! But his case is just the tip of the iceberg. The immigration system is to blame for giving employers the tools they use to intimidate and punish workers. Prime Minister Trudeau: Ensure Full & Permanent Immigration Status for All!

Migrant Workers Alliance for Change

The COVID pandemic continued to have a significant impact on immigration processing times in Canada and around the world. Many of our clients faced incredible stresses worrying about family overseas whose applications to reunite were stalled or frozen. In addition the telephone only access to our services together with our lack of visibility in Parkdale (due to the loss of our office space and our temporary move outside the neighbourhood) has had a significant impact on the ability of non-English speaking members of the Parkdale community to contact us. As the COVID situation develops and vaccinations become more widespread we will be focussing our attention on outreach in the Parkdale community to enhance and refresh our community connections.

Immigration Casework Highlights

Despite the difficulties of the past year we have received a number of positive decisions.

- We were able to assist a caregiver who had faced financial and verbal abuse from her employer to obtain an open work permit as a vulnerable worker. In this application we successfully argued that being pressured to do work outside of her work permit was an aspect of the abuse she faced.
- We were also able to successfully argue that a caregiver who had been cut out of existing pathways to permanent residency due to circumstances beyond her control should be landed on H&C grounds. Her 6 year fight for permanent residency is now over and she is on her way to being landed!
- Similarly we were able to assist a failed refugee claimant from Uganda to argue that she should be allowed to stay on humanitarian grounds. She was the victim of sustained and serious abuse at the hands of her former CL spouse and had lost her refugee claim solely on the issue of identity. She

suffers from serious PTSD and was under psychiatric care. We also assisted with her Pre Removal Risk Assessment and successfully argued that the PRRA officer had made a legal mistake when she ignored some of the evidence we had presented. Our argument about what constituted relevant evidence that had to be considered on her PRRA expands the definition of what constitutes “new evidence” , a requirement for evidence for the purposes of a PRRA.

- We were also able to assist a young woman sponsored from the Philippines who came to join her aunt in Canada. Our client only disclosed that she had a young daughter on arrival in Canada. As a result she was not landed and a removal order was issued. We spent 7 months fighting with the Immigration Appeal Division about its jurisdiction to hear her appeal. In the end we were able to convince the Minister’s Delegate to cancel the removal order and she was landed without even having to go through an appeal.
- We will be off to the Federal Court in October on behalf of a child of a refugee who has now been refused a visa for the second time to come to Canada to reunite with her mother and sisters by the Canadian High Commission in Nairobi Kenya. This case has been ongoing for over 5 years. While we remain hopeful that we can ultimately win this case the damage that has been done to this family is incalculable.

Caregivers’ Action Centre

PCLS has worked with the Caregivers’ Action Centre (CAC) since 2007, providing legal, policy and campaigns support. CAC is a worker-led organization of current and former caregivers.

Migrant care workers spoke out about the realities they face living and working as in-home care workers under COVID-19 – see [Behind Closed Doors](#).



Income Security, Anti-Violence and Health

The Social Assistance, Violence, and Health (SAVAH) division provides a wide range of services in the form of summary advice, informal advocacy, and representation. In the area of social assistance, PCLS continued to intervene in hundreds of disputes regarding our clients’ eligibility for Ontario Works (OW) and Ontario Disability Support Program (ODSP) benefits, mainly with respect to the following issues:

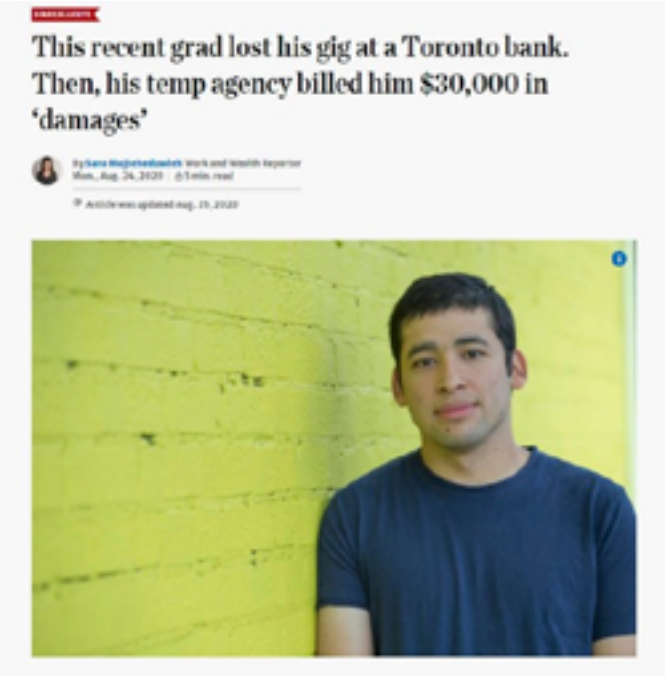
- Treatment of income and assets
- Calculation of benefits
 - Membership in the benefit unit
- Overpayments
- Eligibility for health and employment-related benefits
- Human rights issues flowing from provincial and municipal policies and practices in the administration of these benefit programs

We also continued to support and guide community members and clients experiencing intimate partner and systemic violence issues, as well as in hearings before the Criminal Injuries Compensation Board (CICB). With the upcoming closure of the CICB, PCLS has provided representation to clients during some of the last CICB hearings, and continues to provide advocacy service for community members who are facing barriers to accessing their awarded compensation.

Our work continues with a focus on individuals who are marginalized by race, class, gender, ability, age and status. In addition, we are a resource for community organizations and student learners.

Workers’ Rights

PCLS had a historical year in advancing workers’ rights.



- We recovered \$968,558 in unpaid wages, wrongful dismissal damages, and other employment entitlements. This figure bests the previous high record by \$242,602.
- We represented Gabriel Flores with the first-ever Occupational Health & Safety Act reprisal case at the Ontario Labour Relations Board (OLRB) involving a migrant farm worker. Scotlynn Sweetpac

Growers fired Gabriel when he spoke out after his co-worker died of COVID-19 pandemic. Gabriel became an outspoken advocate for migrant workers due to his experience. This historic case at the OLRB – and Gabriel’s subsequent victory – attracted a large national and international media attention.

- For a few years, PCLS has been fighting an UK based multi-national temporary help agency named FDM Group. FDM Group charges its employees, most of whom are young or new immigrants, a fee of \$30,000 when an employee leaves their employment prior to the end of their two years “commitment period”. PCLS filed complaints to the Ministry of Labour, arguing that the fee is illegal under the Employment Standards Act. After a number of unfavourable decisions from the Ministry of Labour, PCLS represented three former FDM workers at the OLRB. In March 2021, the OLRB released the much anticipated decision. OLRB agreed with the

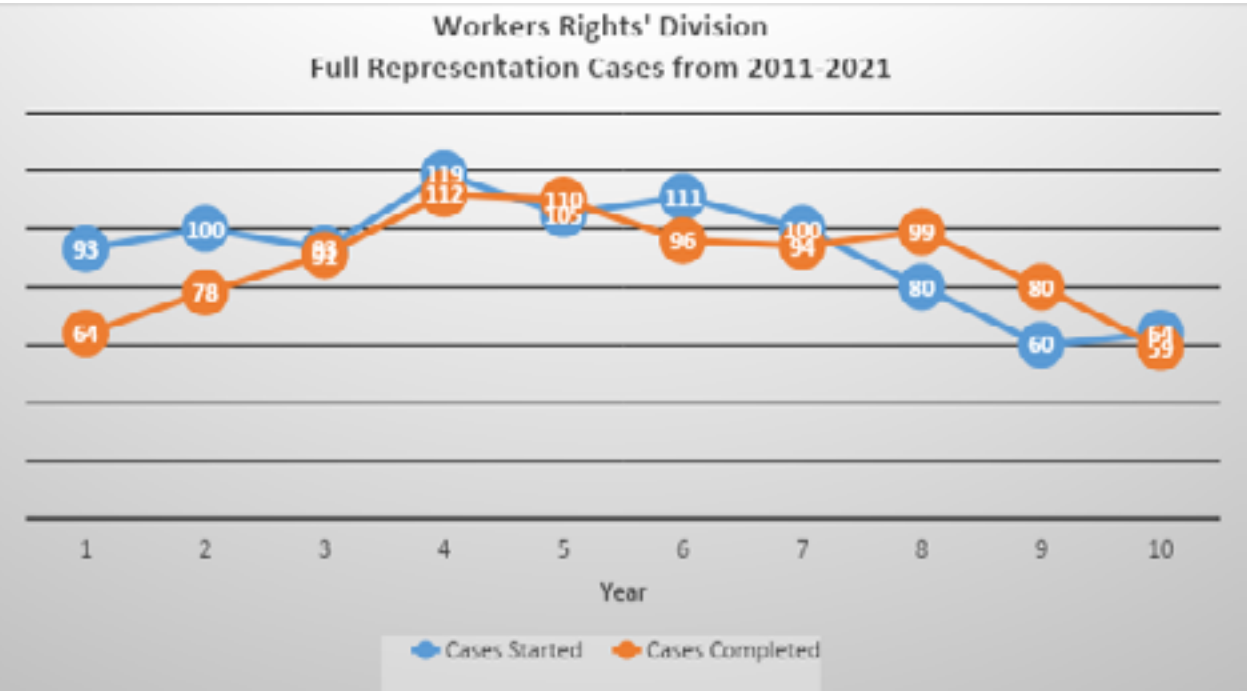
workers that the \$30,000 fee was illegal, and the OLRB ordered FDM Group to remove the provision from its employment contracts. PCLS continues to monitor the situation to ensure that FDM is complying with the law. We thank Downtown Legal Services for partnering with us at the OLRB and for representing the fourth worker at the OLRB.

- PCLS successfully represented a worker in an interesting Human Rights Tribunal of Ontario case involving an employer’s procedural duty to accommodate an employee’s disability needs. A worker was fired after a dispute about whether the workplace environment was safe for his medical condition. Subsequent investigation confirmed that the workplace was indeed safe for the worker, but the worker had long been fired by the time the employer conducted the belated investigation. The Human Rights Tribunal found that the employer failed its procedural duty to accommodate and awarded our client more than \$61,000.

Looking at the work of the Workers’ Rights Division on a more macro level, the Workers’ Rights Division started to keep a detailed information about the outcomes of its cases in 2011. We now have 10 years of data. The first chart shows our annual amount recovered, e.g. unpaid wages, wrongful dismissal damages, etc. for our clients.



The second chart below shows the number of full representation cases we started (blue dots) and the number of full representation cases we completed (orange dots) in a given year. “Full representation” refers to cases where the client retained us to represent them fully, from negotiation to litigation. The below figures do not include summary advices, which are cases where we provide a client with some legal advice or information



but are not retained to represent the client. The funding cut of 2019 and the challenges associated with operating during a COVID-19 pandemic has negatively affected the number of cases that we were able to start and complete during the last two years. We are optimistic that we will be able to increase our case numbers again.



Building on the success of Ontario’s \$15 and Fairness campaign, we pressed the federal government to increase the minimum wage. A new \$15 minimum wage for federally regulated workers comes into effect on December 29, 2021.

PCLS participates in the \$15 and Fairness campaign. As the COVID-19 pandemic continued to keep people out of work or working for fewer hours, we pushed to maintain the best income supports possible. The special EI and Canada Recovery Benefits were extended and the \$500 per week floor was maintained through 2020-21.

PCLS joined the Decent Work and Health Network and \$15 and Fairness campaign in pushing for paid sick days so people can stay home when sick. We were successful in pressing the federal government to implement the Canada Recovery Sickness Benefit that provides up to four weeks of paid sick days for people dealing with COVID related illness. On a provincial basis, we were successful in pressing the Ontario government to implement three paid sick days. While these temporary sick days are a start, the struggle continues for permanent employer paid sick days.

PCLS is on the federal Labour Standards Advisory Committee (LSAC). This tri-partite committee advises the government on employment law matters relating to federally regulated workplaces. Over the course of the past year, the LSAC reviewed and advised on the implementation of legislative updates to the Canada Labour Code that are being phased in over the next two years.

AWARDS AND HONOURS



Dorothy Leach Community Award – Bernadette Rilloraza

Bernadette Rilloraza is a Parkdale tenant and organizer. Under COVID, Bernadette stepped up in a big way to organize her neighbours at her high-rise apartment building against evictions, disrepair, and neglect by their landlord. As well as being an active member of her building committee, Bernadette participates in a number of neighbourhood mutual aid initiatives.



The Frederick H. Zemans Prize in Poverty Law – Erin Masters

Erin Masters, a student in Housing division, is the 2020-21 recipient of the Zemans Prize. Masters was an impressive student. A PCLS staff member described Erin as “a fierce advocate” and “a quick learner” who “showed empathy and solidarity with all of her clients”. Erin also proved to be a shrewd thinker whose commitment

to activist struggles was well displayed in weekly academic seminar discussions. It was a great pleasure to have such a passionate proponent of social justice in the Parkdale program.

TREASURER'S REPORT

Christine Andrews
Treasurer

The Auditor's Report is presented to the membership of Parkdale Community Legal Services each year at the Annual General Meeting. The purpose of the annual audit is to provide the membership with a reasonable assurance that the Financial Statements do not contain any misstatements due to fraud or error.

Parkdale's audit was performed by the accounting firm Segal LLP. The auditors test the financial systems and assure you, the members, that the financial picture presented to you, is a fair description of Parkdale's financial position.



Legal Aid Ontario continues to be the primary funder of PCLS services, funding 90% of the Clinic's overall budget during the year. Generous donations made up 2% of our annual revenue. The annual Osgoode Hall Law School Grant, and project funding consisting of grants from Maytree and Trillium PARC, came in around 5% and 3% respectively. Many thanks to all our generous supporters.

Staffing the clinic and maintaining our offices comprise the largest portion of expenditures for PCLS. This is a normal spending pattern in a community organization similar to ours. Our work is only possible through efforts of our dedicated staff, students and volunteers.

The PCLS Board of Directors is pleased that once again, the organization has received a clean audit with one exception. The only qualification in our audit is a standard one for most not-for-profit organizations. Auditors have no way of independently verifying the money that donors may send to a charity.

On behalf of the Board of Directors, I would like to thank the auditors, Segal LLP, for their work in producing the audited Financial Statements, especially during these difficult times.

THANK YOU TO OUR FUNDERS



LEGAL AID ONTARIO
AIDE JURIDIQUE ONTARIO



OSGOODE HALL LAW SCHOOL
YORK UNIVERSITY



PCLS AT 50:

CELEBRATING OUR PAST,
DEFINING OUR FUTURE

JOIN US FOR A
COMMUNITY CELEBRATION!

Sunday, October 17, 2PM - 4PM
Sorauren Park
289 Sorauren Ave
Toronto, ON M6R 2G4

- MASKING REQUIRED
- LIMITED CAPACITY

PARKDALE
COMMUNITY
LEGAL SERVICES

www.parkdalelegal.org

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PARKDALE
COMMUNITY
LEGAL SERVICES

Charitable Registration No. 1078 14972 RR0001

PARKDALE COMMUNITY LEGAL SERVICES INC.

FINANCIAL STATEMENTS

MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Parkdale Community Legal Services Inc.

Qualified Opinion

We have audited the accompanying financial statements of Parkdale Community Legal Services Inc. (the "Clinic") which comprise the statement of financial position as at March 31, 2021, and the statement of operations and funds balance and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Clinic as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Clinic derives a portion of its revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded by the Clinic. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, and assets and funds balance for the years ended March 31, 2021 and 2020.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section on our report. We are independent of the Clinic in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Clinic's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Clinic or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Clinic's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clinic's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Clinic's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Clinic to cease to continue as a going concern.

Independent Auditor's Report

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Segal LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
September 3, 2021

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	Directors' Fund	LAO General Fund	LAO Legal Disbursements Fund	LAO Capital Fund	2021 Total	2020 Total
ASSETS						
Current assets						
Cash	\$ -	\$ 1,023,895	\$ -	\$ -	\$ 1,023,895	\$ 505,055
Accounts receivable	-	1,168	-	-	1,168	16,384
Harmonized sales taxes receivable	-	12,986	-	-	12,986	40,995
Prepaid expenses	-	<u>23,972</u>	-	-	<u>23,972</u>	<u>42,240</u>
	-	1,062,021	-	-	1,062,021	604,674
Property and equipment, note 3	<u>13,500</u>	-	-	<u>85,305</u>	<u>98,805</u>	<u>27,246</u>
	<u><u>\$ 13,500</u></u>	<u><u>\$ 1,062,021</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 85,305</u></u>	<u><u>\$ 1,160,826</u></u>	<u><u>\$ 631,920</u></u>
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 195,275	\$ -	\$ -	\$ 195,275	\$ 108,643
Deferred revenue, note 5	-	250,000	-	-	250,000	11,704
Interfund payable (receivable)	<u>(551,315)</u>	<u>551,548</u>	<u>6,877</u>	<u>(7,110)</u>	<u>-</u>	<u>-</u>
	<u>(551,315)</u>	<u>996,823</u>	<u>6,877</u>	<u>(7,110)</u>	<u>445,275</u>	<u>120,347</u>
Commitments, note 6						
Contingent liabilities, note 9						
FUNDS BALANCE (DEFICIT)	<u>564,815</u>	<u>65,198</u>	<u>(6,877)</u>	<u>92,415</u>	<u>715,551</u>	<u>511,573</u>
	<u><u>\$ 13,500</u></u>	<u><u>\$ 1,062,021</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 85,305</u></u>	<u><u>\$ 1,160,826</u></u>	<u><u>\$ 631,920</u></u>

Approved on behalf of the Board:

 _____, Director

 _____, Director

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF OPERATIONS AND FUNDS BALANCE
FOR THE YEAR ENDED MARCH 31, 2021**

	Directors' Fund	LAO General Fund	LAO Legal Disbursements Fund	LAO Capital Fund	2021 Total	2020 Total
<hr/>						
Revenues						
Legal Aid Ontario, note 8						
- direct receipts	\$ -	\$ 1,894,208	\$ 6,560	\$ -	\$ 1,900,768	\$ 2,032,103
- indirect receipts, note 4	-	465,232	-	-	465,232	297,586
Projects	68,942	-	-	-	68,942	174,781
Osgoode Hall Law School Grant - annual	129,923	-	-	-	129,923	127,500
Donations	57,133	-	-	-	57,133	107,951
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,221</u>
	<u>255,998</u>	<u>2,359,440</u>	<u>6,560</u>	<u>-</u>	<u>2,621,998</u>	<u>2,784,142</u>

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF OPERATIONS AND FUNDS BALANCE
FOR THE YEAR ENDED MARCH 31, 2021**

	Directors' Fund	LAO General Fund	LAO Legal Disbursements Fund	LAO Capital Fund	2021 Total	2020 Total
Expenditures						
Salaries	84,429	1,354,870	-	-	1,439,299	1,572,539
Indirect payment, note 4	-	465,232	-	-	465,232	297,586
Benefits	6,506	208,739	-	-	215,245	273,405
Occupancy	70,000	27,494	-	-	97,494	148,909
Professional services	15,000	56,340	-	-	71,340	153,997
Staff development	2,104	25,711	-	-	27,815	17,957
Communications	12,495	4,864	-	-	17,359	15,606
Supplies and services	5,140	9,548	-	-	14,688	30,961
Moving expenses	-	12,195	-	-	12,195	74,890
Professional dues	-	10,907	-	-	10,907	12,368
Equipment rental and maintenance	5,000	5,778	-	-	10,778	18,023
Legal disbursements	-	-	6,781	-	6,781	11,986
Board	3,114	650	-	-	3,764	11,980
Client services	2,132	-	-	-	2,132	6,633
Amortization	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>21,491</u>	<u>22,991</u>	<u>16,740</u>
	<u>207,420</u>	<u>2,182,328</u>	<u>6,781</u>	<u>21,491</u>	<u>2,418,020</u>	<u>2,663,580</u>
Excess of revenues over expenditures (expenditures over revenues)	48,578	177,112	(221)	(21,491)	203,978	120,562
Interfund transfer	(15,000)	(79,550)	-	94,550	-	-
Funds balance (deficit), beginning of year	<u>531,237</u>	<u>(32,364)</u>	<u>(6,656)</u>	<u>19,356</u>	<u>511,573</u>	<u>391,011</u>
Funds balance (deficit), end of year	<u>\$ 564,815</u>	<u>\$ 65,198</u>	<u>\$ (6,877)</u>	<u>\$ 92,415</u>	<u>\$ 715,551</u>	<u>\$ 511,573</u>

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 203,978	\$ 120,562
Adjustments for:		
Amortization	<u>22,991</u>	<u>16,740</u>
	226,969	137,302
Changes in non-cash working capital balances		
Decrease in accounts receivable	15,216	18,561
Decrease in harmonized sales taxes receivable	28,009	10,400
Decrease (increase) in prepaid expenses	18,268	(30,022)
Increase (decrease) in accounts payable and accrued liabilities	86,632	(91,955)
Increase in deferred revenue	<u>238,296</u>	<u>-</u>
Cash flows provided from operating activities	<u>613,390</u>	<u>44,286</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(94,550)</u>	<u>-</u>
Net increase in cash	518,840	44,286
Cash, beginning of year	<u>505,055</u>	<u>460,769</u>
Cash, end of year	<u><u>\$ 1,023,895</u></u>	<u><u>\$ 505,055</u></u>

See accompanying notes to the financial statements

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

1. PURPOSE OF THE ORGANIZATION

Parkdale Community Legal Services Inc. (the "Clinic") is incorporated under the Laws of Ontario as a not-for-profit corporation without share capital and is a registered Canadian charitable organization. The Clinic provides legal services to low income individuals.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (CAS NPO) based on the following significant policies adopted by management:

Fund accounting

The Clinic has the following funds:

a) Directors' Fund

Comprised of the following:

		2021	2020
Osgoode Fund (net of repayments)	(i)	\$ 191,865	\$ 180,442
Internally Restricted Fund	(ii)	<u>372,950</u>	<u>350,795</u>
		<u>\$ 564,815</u>	<u>\$ 531,237</u>

i) **Osgoode Fund:** These funds are provided by York University (the "University") to enhance the academic program in poverty law, which is a joint project of Osgoode Hall Law School and the Clinic. In addition to the itemized budget for the Osgoode Fund, the University provides a full-time academic director position and some services in kind.

ii) **Internally Restricted Fund:** This fund includes monies received from individuals and corporations, which are used for project activities of the Clinic as directed by the management team or board of directors. This fund also includes monies received to fund specific projects, which no longer have any external restrictions as to use, but are internally restricted projects as directed by the management team or board of directors.

b) LAO General Fund

These funds, provided by Legal Aid Ontario ("LAO"), are used to provide a range of legal and paralegal services, including information, advice and representation, to low-income individuals and families.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

Fund accounting (Continued...)

c) LAO Legal Disbursements Fund

These funds are used to provide for certain direct expenses incurred in representing Clinic clients in legal proceedings.

d) LAO Capital Fund

This fund holds the property and equipment of the Clinic that has been funded by Legal Aid Ontario.

Revenue recognition

The Clinic uses the deferral method to account for contributions.

Externally restricted contributions are recognized as revenue in the fund to which they pertain (see description of funds above). Contributions that relate to future periods are recorded as deferred revenue.

Unrestricted contributions are recognized as revenue of the Directors' Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Property and equipment

The property and equipment are amortized on a straight-line basis as follows:

Computer equipment	- 3 years
Office equipment	- 5 years
Telephone equipment	- 8 years
Leasehold improvements	- straight line basis over the term of the lease

Impairment of long-lived assets

Long-lived assets including property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When a long-lived asset no longer has any long-term service potential to the Clinic, it is considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value.

Deferred capital contributions

Deferred capital contributions represent restricted contributions for leasehold improvements and other property and equipment. Revenue is recorded on these amounts at the same rates used for the associated assets being amortized.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

Income taxes

The Clinic is a registered charitable organization and accordingly is exempt from income taxes under Section 149 of the Income Tax Act.

Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include: contingent liabilities (note 9), the useful lives of property and equipment and provision for uncollectable accounts receivable. Actual results could differ from those estimates.

Donations in kind and volunteered services

The Clinic received donations in kind in the form of contributed goods and services, which are recorded as revenue with an offsetting expense (note 4). In addition, other volunteers provide contributed services for the Clinic which are not recognized in these financial statements, due to the difficulty in determining the fair value of these contributed services.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
LAO Capital Fund				
Computer equipment	\$ 394,365	\$ 373,888	\$ 20,477	\$ 22,997
Office equipment	368,588	337,532	31,056	4,249
Telephone equipment	32,387	32,387	-	-
Leasehold improvements	<u>33,772</u>	<u>-</u>	<u>33,772</u>	<u>-</u>
	<u>\$ 829,112</u>	<u>\$ 743,807</u>	<u>\$ 85,305</u>	<u>\$ 27,246</u>

Directors' Fund

Office equipment	<u>\$ 15,000</u>	<u>\$ 1,500</u>	<u>\$ 13,500</u>	<u>\$ -</u>
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Leasehold improvements are not ready for use and for this reason have not been amortized.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

4. INDIRECT PAYMENT

Legal Aid Ontario administers and makes payments on behalf of the Clinic for the following expenditures:

	2021	2020
LAO General Fund		
Accommodation and equipment	\$ 236,177	\$ 134,926
Translation cost	166,333	90,599
Information technology support	50,304	56,630
Supplies and services	9,058	11,928
Library	2,429	2,100
Pension, benefits and group insurance	<u>931</u>	<u>1,403</u>
	<u>\$ 465,232</u>	<u>\$ 297,586</u>

5. DEFERRED REVENUE

	Deferred Revenue as at March 31, 2020	Deferred Revenue	Recognized as Revenue	Deferred Revenue as at March 31, 2021
LAO General Fund				
LAO	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>

Directors' Fund

Maytree	<u>\$ 11,704</u>	<u>\$ -</u>	<u>\$ 11,704</u>	<u>\$ -</u>
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	Deferred Revenue as at March 31, 2019	Deferred Revenue	Recognized as Revenue	Deferred Revenue as at March 31, 2020
Directors' Fund				
Maytree	<u>\$ 11,704</u>	<u>\$ 11,704</u>	<u>\$ 11,704</u>	<u>\$ 11,704</u>

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2021

6. COMMITMENTS

The Clinic has entered into operating lease agreements for equipment and premises. The Clinic is committed to the lease on its equipment until September 2021. The current premise's lease expires March 31, 2028. Minimum lease payments plus operating costs are as follows:

	Premises	Equipment	Total
2022	\$ 93,759	\$ 1,585	\$ 95,344
2023	98,154	-	98,154
2024	102,549	-	102,549
2025	105,479	-	105,479
2026	108,409	-	108,409
Thereafter	<u>225,608</u>	<u>-</u>	<u>225,608</u>
	<u>\$ 733,958</u>	<u>\$ 1,585</u>	<u>\$ 735,543</u>

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Clinic's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. All financial instruments noted are initially recognized at fair value and subsequently measured at amortized cost with the exception of cash which is carried at fair value. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow.

When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount of financial assets, measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value subsequently improves.

Transacting in financial instruments exposes the Clinic to certain financial risks and uncertainties. These risks include:

Liquidity risk

Liquidity risk is the risk that the Clinic will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to fair value. As 88% (2020 - 80%) of the financial assets consist of cash, the Clinic is not subject to significant liquidity risk.

PARKDALE COMMUNITY LEGAL SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2021

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued...)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Clinic is exposed to credit risk with respect to its accounts receivable balances. As at March 31, 2021, the Clinic was not exposed to significant concentration of credit risk (2020 - 90% of accounts receivable was due from one program). The Clinic manages its credit risk by monitoring the outstanding balances.

8. ECONOMIC DEPENDENCE

The Clinic is economically dependent on the support of Legal Aid Ontario which provides 90% (2020 - 84%) of the Clinic's funding.

9. CONTINGENT LIABILITIES

During the 2021 fiscal year, the Clinic was advised that a claim was made against the Clinic. In this matter, the Clinic will have maximum exposure of \$50,000, representing the insurance deductible. The matter has not been settled and the occurrence of a future event is indeterminable as of the date of these financial statements.